

ABSTRACT

Coffee exports are one of Indonesia's leading agricultural commodities and contribute significantly to the country's foreign exchange earnings. Although Indonesia is the world's fourth-largest coffee producer, the value of its coffee exports to European destination countries fluctuated during the 2010–2024 period. This indicates that coffee export performance is influenced not only by production capacity but also by various economic and non-economic factors. Therefore, this study aims to analyze the effects of Gross Domestic Product (GDP), coffee export prices, transportation costs, exchange rates, political stability, and the COVID-19 dummy variable on the value of Indonesia's coffee exports to six European destination countries. This study employs panel data covering the period from 2010 to 2024 and applies the Panel Autoregressive Distributed Lag (Panel ARDL) model using the Pooled Mean Group (PMG) estimator. Prior to estimation, the data were tested for stationarity, classical assumptions, and optimal lag selection to ensure the appropriateness of the model.

The results indicate that, in the short run, only Gross Domestic Product (GDP) has a weakly significant effect at the 10% significance level, while coffee export prices, transportation costs, exchange rates, political stability, and the COVID-19 dummy variable have no significant effect on Indonesia's coffee export value. In the long run, coffee export prices, transportation costs, exchange rates, political stability, and the COVID-19 dummy variable have a negative and statistically significant effect, whereas GDP has no significant effect. Furthermore, the Error Correction Term (ECT) is negative and statistically significant, indicating the existence of a long-run equilibrium adjustment mechanism. These findings suggest that trade-related costs and external factors play a more important role in determining Indonesia's coffee export value than the economic size of the destination countries. Therefore, policies aimed at improving logistics efficiency, enhancing product competitiveness, and strengthening international trade strategies are essential to support the sustainable growth of Indonesia's coffee exports.

Keywords: Coffee Export Value, Panel ARDL, Gross Domestic Product, Coffee Export Price, Transportation Cost, Exchange Rate, Political Stability, COVID-19.